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STATE FOR EAP/MTS  
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TAGS: [MARR](#) [MCAP](#) [MOPS](#) [PREL](#) [PINS](#) [RP](#)  
SUBJECT: PHILIPPINE DEFENSE REFORM HELPING TO COUNTER  
RESTIVENESS IN AFP

Classified By: (U) Ambassador Kristie A. Kenney  
for reasons 1.4(b) and (d).

11. (C) SUMMARY. Philippine Defense Reform (PDR) has produced concrete results and is becoming institutionalized within the Armed Forces of the Philippines (AFP). PDR is also helping counteract restiveness among some mid- and junior officers, which contributed to the coup attempt of February 24. Defense Secretary Cruz is promoting the "Battalions of Excellence" concept as a means of demonstrating the benefits of defense reform to the rank and file. A new National Defense Act under consideration by the House and Senate will codify many of the institutional reforms now underway. The AFP's intent to "empower" non-commissioned officers and use them as the key training cadre in the Battalions of Excellence program represents a fundamental change in AFP thinking, and may indicate that PDR has passed a critical milestone in its development. END SUMMARY.

#### ACHIEVEMENTS AND "QUICK WINS"

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12. (SBU) During the July 18 US-RP Philippine Defense Reform (PDR) Executive Steering Committee talks, the Philippine side, which Defense Secretary Avelino Cruz chaired and which included senior officials of the Department of National Defense, the AFP's J staff, and deputy commanders of the major services, spoke confidently of PDR's achievements and of its program of "quick wins" planned for roll-out in 2006 and 2007.

Among the PDR achievements they cited are:

- Streamlining the Defense Acquisition System;
- Legalizing government-to-government procurement through Foreign Military Sales;
- Changing doctrine formally to recognize the Secretary of National Defense in the direct chain of command from the President to the Chief of Staff;
- Establishing a 10-year plan for intelligence reform;
- Linking the Mobility Maintenance Program to PDR;
- Establishing a PDR board and oversight mechanism;
- Linking the Capability Upgrade Program to PDR;
- Establishing a multi-year Defense Planning, Programming, and Budgeting Process;
- Creating the first-ever mission based budget, which DND forwarded to Congress in October 2005; and,
- Establishing Defense Planning Guidance.

Some of the proposed "quick wins" include:

- Rightsizing the civilian employee work force;
- Making intelligence a primary AFP occupational specialty;
- Fusing technical intelligence with human intelligence;
- Making non-commissioned officers the primary trainers within battalions;
- Developing long range reconnaissance and surveillance units;
- Upgrading combat life saving skills and forward field medical care;
- Improving the quality of drill instructors and standardizing recruit training;
- Developing a Philippine Warrior Leader Course;
- Establishing a Joint Sergeant Major Course;
- Setting up a purchase authorization card and eliminating as much as possible cash purchases;
- Recalling personnel from service outside the AFP;
- Improving the grievance system; and,
- Improving base housing and evicting overstays.

13. (SBU) Another important part of the planned "quick wins" is the Battalions of Excellence program, which will integrate logistics, personnel, and doctrinal reforms with existing Philippine Army and Marine retraining programs. The goal of this "performing/transforming/reforming" effort is to link reforms to current operations in a way that will demonstrate to common soldiers and junior officers the practical benefits of PDR. Secretary Cruz told DCM and US Executive Committee members that he hoped the "quick win" effort would help "calm" soldiers and junior officers and convince them that PDR would address their needs. He commented that mid-level officers were beginning to see how they could contribute to and use the PDR process to bring about real change, noting that at a recent open forum at SOUTHCOM, officers exhibited

detailed knowledge of, and asked pointed questions about, PDR's key program areas.

#### "QUICK WINS" COME AT CRITICAL JUNCTURE

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14. (C) The "quick win" program comes at a critical time. Corrupted by martial law and riven by a series of coup attempts during the Aquino Administration, the Philippine military continues to grapple with the ambiguous legacy of "People Power" and the 1987 Constitution, which enshrined the AFP as the "protector of the people." According to some critics, this clause created a messianic complex that repeatedly has encouraged some officers, many of them Philippine Military Academy graduates, to believe that they were the saviors of the nation who are empowered to overthrow their civilian political masters for the "good of the country." The decades-long struggle against the Communist insurgency, Muslim separatist movements, and assorted terrorist groups has ground down the military, which, after the sharp reduction of US assistance following the 1992 base closures, has labored under the burden of outmoded doctrine, crumbling infrastructure, and decaying equipment. Some Army battalions have gone as long as 12 years without any formal training.

15. (C) As demonstrated by the coup attempt of February 24 (leading to the imposition of a "State of National Emergency" for one week), destabilizing elements continue to be eager to exploit these grievances. The question of overstays by senior officers in military housing, for example, was one of the key complaints of the July 2003 Oakwood mutineers, many of whom again figured in the July 2006 plot to stage an attack on President Arroyo's State of the Nation address.

16. (C) The apparently serious investigation into the February 24 episode by the AFP and the recommendations for courts martial from the investigators, which General Generoso Senga blessed before stepping down as AFP Chief of Staff, should also demonstrate that the DND and AFP will no longer treat coup plotters lightly, and are willing to seek punishment even for senior officers, such as Brigadier

General "Danny" Lim, then-commander of the elite Scout Rangers. The strong signal is that this is a new, more professional and less politicized AFP.

#### A SERIOUS FINANCIAL COMMITMENT

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17. (SBU) Cruz has succeeded in marshaling significant resources behind the reform effort. The GRP is now contributing the vast majority of resources to PDR. In addition to 1 billion pesos (\$19 million) in funding in 2004, the DND and AFP will receive an additional 1.426 billion pesos (\$27 million) in 2007, with a further commitment by President Arroyo to provide 2 billion pesos (\$38 million) a year from 2008-2010. President Arroyo has already released 5 billion pesos (\$98 million) for capability upgrades in 2006 and has additionally agreed to allocate 5 billion pesos (\$98 million) a year for 2007-2011 to fund equipment upgrades and to support the Battalions of Excellence program. A further 1.3 billion pesos (\$24.7 million) will fund improvements to AFP housing, while 750 million pesos (\$14 million) is slated for upgrades to AFP logistics systems. Using its own national funds, the GRP also appears ready in 2008 to finance and take ownership of the successful Mobility Maintenance Program, which is currently funded through Foreign Military Financing.

#### NEW DEFENSE LEGISLATION TO CEMENT REFORMS-----

18. (BU) Secretary Cruz has drafted and introduced comprehensive new defense legislation -- the first major revision since the 1935 National Defense Act -- to further cement the planned reforms. The new law would also provide fixed three-year terms for AFP Chiefs of Staff, ending the current merry-go-round of short appointments just before retirement. Incorporating input from junior and mid-level officers as well as enlisted personnel, the bill also addresses complaints about grievance procedures, promotions, morale, and benefits. Cruz has already personally engaged Senators and members of Congress to build support for the legislation, and intends to mobilize former National Defense Secretaries and regional commanders to lobby in favor of the

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bill. He estimates that it will take about a year to get this landmark legislation passed.

#### COMMENT

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19. (C) Cruz says he believes PDR's major programs now have "wind under their wings." We agree. The AFP project managers are almost all young captains and majors, and we observed a fervor and commitment from them that indicates PDR has begun to be institutionalized. The presence of the Philippine National Police, which is starting to undertake its own reform effort, at the July 18 talks indicates that the effects of PDR may be beginning to spill over into other branches of government. We also note the AFP emphasized in briefing its Battalions of Excellence concept that the program would be built around "empowering" non-commissioned officers and using them as the key training cadre. This represents a fundamental change in AFP thinking, and, more than anything else, may indicate that PDR has reached a critical, positive milestone in its development. The fact that PDR is addressing the key issues of junior officers and enlisted personnel, which have had caused unrest and increased their susceptibility to politicization, is critical -- and may help keep the AFP in the barracks.

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Kenney